

DRAFT

2003 Legislative Agenda

City of Minneapolis

Priority Issues

LOCAL GOVERNMENT FINANCE

The City of Minneapolis has embarked upon a multi-year budgeting exercise designed to limit property tax increases to City taxpayers while assuring the delivery of needed services and correcting deficiencies caused by past budget decisions. A crucial element in the revenue stream of the City is state-aid from the Local Government Aid (LGA) program. LGA accounts for approximately 43% of the City's general revenue base (property tax plus state aids). Reductions in this program would mean severe service reductions and unacceptable increases in property taxes.

The effect of the 2001 property tax reform act has been a dramatic shift in the total property tax burden from non-residential properties to the residential sector (1 to 3 unit buildings). The scheduled phase-out of the limited market value program will continue this shift over the next five years.

Minneapolis supports:

- Strongly that LGA or a similar program must continue to be a major part of municipal financing.
- ~~A new LGA formula that recognizes need, overburden and ability to pay.~~
- Diversification of revenue sources for municipalities.
- The suspension of the scheduled phase-out of the limited market value program for residential properties.

Minneapolis opposes:

- Cuts in state aids, which would jeopardize municipal credit ratings.
- Cuts in state aids, which would only shift tax increases from the state tax sources to the property tax.
- Re-imposition of levy limits.
- Reverse referendum proposals.

REFORMING LOCAL GOVERNMENT (or some other title)

Focus Minneapolis

In January 2002, the management-consulting firm of McKinsey & Company donated their services to the City of Minneapolis to conduct a six-month study of the development operations of the City. Their study identified three broad changes to improve community development functions within the City:

1. agree on development priorities and establish goals for top priority development issues;
2. strengthen management processes to ensure better strategic planning, project decision-making that is consistent with established priorities, and improved customer service;

3. consolidate the five city departments that are involved with community development to increase accountability, improve coordination and align the organization with stated City priorities.

Following the release of the report, a workgroup was established to review the consultant's recommendations and conduct meetings with stakeholder groups to collect public input. In September, the workgroup presented a resolution for Council adoption implementing "Focus Minneapolis" which moved forward some, but not all of the consultant's recommendations. A central component of Focus Minneapolis is the creation of a new Community Planning and Economic Development (CPED). A staff team was assigned to consider the various legal options for creation of CPED. These options include amending the existing Minneapolis Community Development Agency (MCDA) special law that established the MCDA in 1980. Amending this law is the only means of enabling the inclusion of MCDA into CPED; it would also provide additional tools to address staff transition issues regarding the transfer of MCDA staff into the new department. Related legislation may also be recommended to incorporate the Planning Department into CPED.

Regulatory Reform

The City recently restructured the licensing of trades installers and contractors doing business within the City. To further reduce regulatory barriers and provide for the safety of all residents in Minnesota, the State should assume the licensing of trades installers and contractors in certain life safety categories. To initiate this proposal, the City is requesting the scope of the current state plumbing examination to be expanded to include an associated gas-fitting competency.

Appointed Personnel

Repeal Minnesota Statutes establishing City of Minneapolis appointed positions and pass legislation that allows the City Council to create unclassified positions by ordinance, authorizing appropriate terms and conditions of employment for such positions.

AFFORDABLE HOUSING

Affordable housing is a continuing crisis that must be addressed at all levels of government. Among the local efforts being undertaken, the City has streamlined its regulatory and development processes, changed its zoning practices to provide density bonuses to developments that include affordable housing and allocated increased local funds for affordable housing production. In addition, the City will continue to advocate for and build partnerships for increased federal funding of affordable housing production and preservation.

At the state level, Minneapolis supports:

- Increasing funding for affordable housing production, including state bonds for affordable housing; affordable housing production and preservation funded from an

increase in the mortgage registry and deed transfer taxes; and an increase in the allocation formula for affordable rental housing in the private activity bonds cap.

- Leveraging private investment in housing by providing state income and corporate franchise tax incentives to those who invest in workforce housing, increased funds for land recycling and improving the ability of TIF to provide local funds for affordable housing and development.
- Increasing rental opportunities including an increase in the state renters' credit and returning the property tax advantage that low-income rental housing enjoyed before the recent property tax changes. In addition, the City supports renter protections such as state regulation of application fees, disclosure of selection criteria and constraints on use of prior unlawful detainers to restrict rentals.
- Homeowner protection through passage of a strengthened state law to prevent predatory lending.
- Emergency shelters and programs including support for a minimum base level funding for core safety net and emergency housing programs and banning eviction filings for nonpayment without notice and a five day opportunity to cure.

STATE BONDING PROGRAM

- Minnesota Planetarium and Space Discovery Center – \$30 Million
- Minneapolis Empowerment Zone – \$12 Million
- The Guthrie Theater – \$35 Million
- The Children's Theatre – \$5 Million

The City will also seek a sales tax exemption for construction materials for the new Minneapolis Central Library and the Minnesota Planetarium and Space Discovery Center projects.

TRANSPORTATION

An expanded and properly financed public transit system (rail and bus) is crucial for both Minneapolis and the metropolitan area. For Minneapolis, a quality transit system is needed to ensure the mobility of residents who do not own automobiles, to ensure the growth of downtown, and to provide its residents convenient transportation to jobs throughout the region. For the region, a greatly expanded public transit system is needed to ensure long term environmental and economic sustainability. All transportation improvements, both highway and transit related, must be done in a manner that is compatible with neighborhood livability.

Minneapolis supports:

- Legislation to significantly increase funding for both transportation and transit.
- Dedicated funding for transit.
- Funding for the Northstar commuter rail corridor.
- Legislation that would grant municipalities more flexibility in setting local speed limits.
- (Photo Cop?)

Minneapolis opposes:

- Legislation that would negatively impact Light Rail Transit (LRT) either in the building stage or during operations or that would treat LRT differently from any other regional transportation project.
- Legislation that would further restrict the municipal approval process in terms of the state highway design process.

PUBLIC SAFETY

To address public safety, livability crime concerns and homeland security, Minneapolis will:

- Propose legislation establishing a demonstration project in the Fourth Judicial District to fund the design, purchase, installation, operation, and maintenance of municipal prosecution case management systems.
- Support an increase in the 911-telephone surcharge to provide adequate funding to the nearly 120 public safety answering points located throughout Minnesota.
- Support state funding and bonding for 800 Mhz radio implementation and operations.
- Support increased funding for the CriMNet system, including advocacy that the burden of local matching grants needs to be fully considered.
- Support continued and increased funding for the fourth judicial district community court. The City also supports other initiatives to address livability crimes, including continued and increased funding for restorative justice programs.
- Support continuation and funding for the Minnesota State Gang Strike Force.
- Oppose changes to any current laws that would make it easier to carry concealed weapons. Additionally the state should support gun buy-back programs, trigger lock programs and other initiatives to increase the safety of neighborhoods and citizens.

Supported Issues

MUNICIPAL GOVERNMENT

The ability of the City of Minneapolis to conduct business in an orderly and efficient manner is frequently dependent upon State law.

These changes would increase the City's ability to do so:

- Local authority to extend benefits to domestic partners.
- Changes in the legal notification law so the Internet can be more fully used to notify citizens of public actions.
- Local authority to determine the closing time of bars, as well as local licensing in art and theater establishments.

CITY LIVABILITY

The City of Minneapolis must continue to ensure that Minneapolis is a place where it is desirable to live, work, conduct business, attend school and visit.

The City supports:

- Comprehensive legislation that would fully recognize and mitigate the effect of the airport on surrounding neighborhoods. The legislation should include a funding source, such as the growth of sales tax receipts at the airport, which would allow for full funding of the noise mitigation program out to the 60 DNL.
- Long-term solutions to the lack of airport capacity. Measures include landbanking for a second airport and/or diversion of flights to other Minnesota regional airports, such as Rochester and St. Cloud.
- Extending the time of service for summons and complaints in the Tenant Remedies Act.
- Collection of the re-inspection fee by special assessment on the subject property.
- Maintain ongoing funding for the grant program to reduce/eliminate health disparities in 10 targeted health categories.
- Lead prevention activities including efforts to promote universal lead screening for urban children; holding managed care plans and health care providers accountable for lead screening for children on medical assistance; and, increased state funding for lead control activities.
- Renewed funding for the Temporary Assistance for Needy Families (TANF) at the current level for safety net programs.
- Sustaining the minor consent law, which permits adolescents to see medical providers for reproductive health, mental health and chemical dependency, without informing a parent or guardian.
- Increasing the Minnesota excise tax on cigarettes by \$1.00 per pack in order to reduce overall teen smoking in the state.

Minneapolis opposes:

- Legislation that would allow the purchase of wine in grocery stores or other changes in law that would make it easier to purchase alcoholic beverages.

JOBS & ECONOMIC DEVELOPMENT

Creation of living wage jobs and increasing the tax base continue to be of crucial importance to Minneapolis officials and its citizens and was recently re-affirmed by the Mayor and City Council as one of its top development priorities.

Minneapolis supports:

- Continued funding for brownfield clean-up grants. Includes extension of the Petrofund program beyond its current sunset and improved administration of DTED and Met Council programs.
- Funding of the Redevelopment Account (as it was in the vetoed 2002 bonding bill.)
- Increased funding for the Met Council's Livable Communities Accounts.
- Continued reform of TIF to assist land recycling for both industrial and affordable housing projects
- Historic tax credits as proposed by the Preservation Alliance and Minnesota Historical Society.

Endorsed Agendas

In addition to its specific legislative agenda, the City of Minneapolis endorses the legislative agendas of the following organizations:

- The League of Minnesota Cities
- The Association of Metropolitan Municipalities
- Housing Minnesota
- The Hennepin County Legislative Agenda (items on General Assistance Medical Care, General Assistance and Emergency Assistance)
- Minnesota Solutions
- The Minnesota Workforce Council Association (welfare reform; maintaining workforce development systems capacity and workforce development policy issues)
- The National Association of Housing Redevelopment Organizations
- The Property Tax Study Project
- Minnesota Association of Community Dentistry (children's dental health issues)

Issues Still in Progress

City Livability

- Regional Facilities and Stadiums. Explore the regional facilities in Minneapolis and what jurisdiction should be paying for it. It is inevitable that a ball park discussion will be revisited. The Vikings stadium will also be at the legislature next year.
- ~~With the restructuring of the Civilian Review Authority, legislative changes may be required.~~
- ~~Support legislation that would restrict or abolish predatory lending practices in Minnesota~~

Municipal Government

- Remove the investment authority from the local pension plans and transfer to the State Board of Investment.
(Finance staff to report back to IGR Committee on 12/09/02)